City of San Jose

Evergreen ◆ East Hills Vision Strategy Trade-off Analysis

Introduction, Methodology, and Assumptions

December 14, 2005

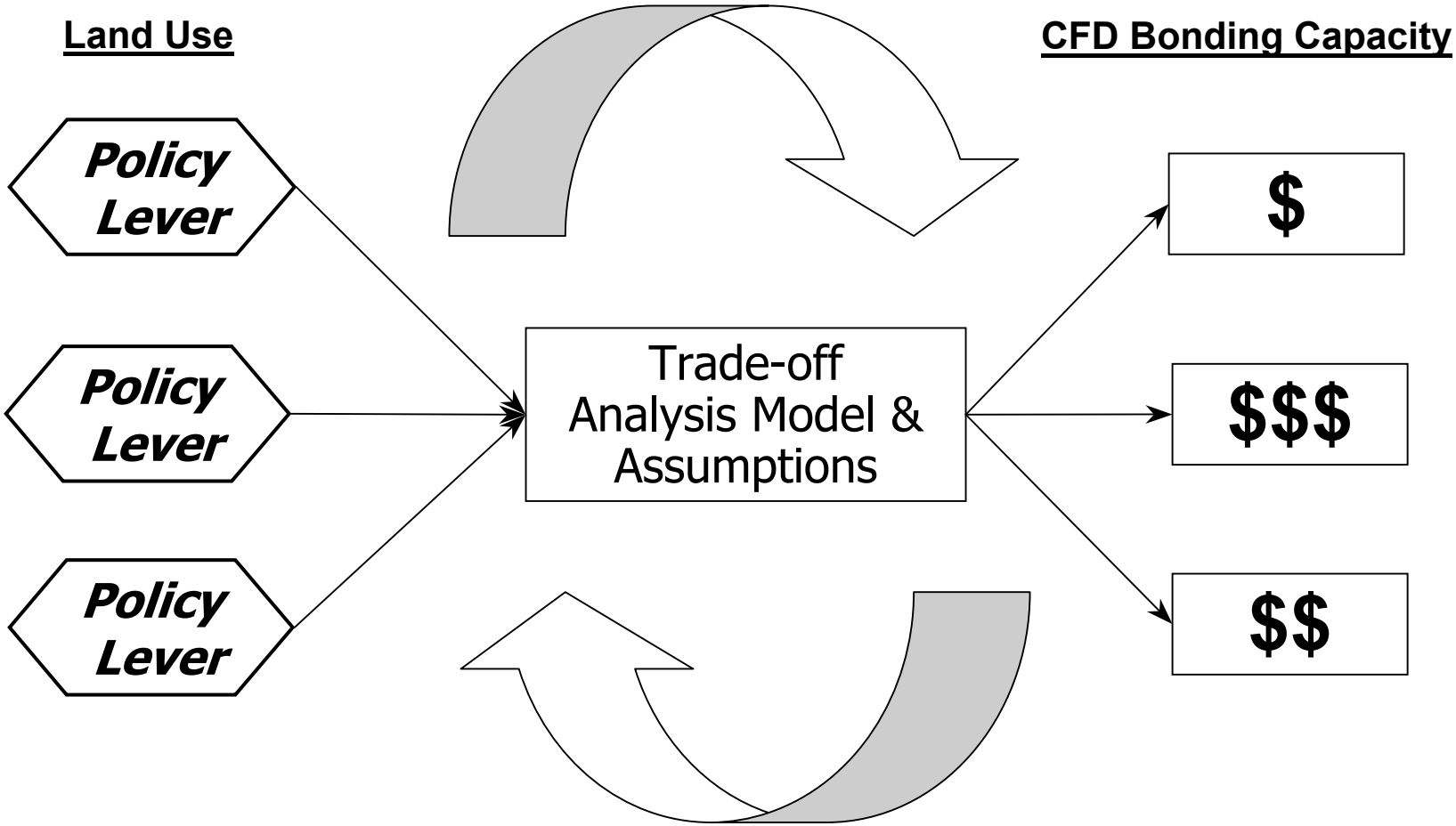
Prepared by MuniFinancial

Trade-off Analysis Overview

- City Council asked for evaluation of land use policy options on the ability of the CFD to pay for improvements and amenities.
- Special tax consultant is conducting analysis for staff.
- Purpose of this presentation is to describe methodology and assumptions.
- Results available in January.

Prepared by MuniFinancial

Trade-off Analysis



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Land Use Policy Levers

- Total residential development and densities
  - 3,600 to 5,700 units
  - 300,000 – 500,000 square feet of retail development
- Industrial land retention
  - 0, 50, 120, or 320 acres
- Affordable housing
  - 20 percent on all sites
  - 20 percent on Industrial sites and Arcadia
  - 20 percent on Arcadia only (existing requirement)

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CFD Bonding Capacity

(**Home Value** x [Effective Tax Rate - Existing Tax Rate] Available Tax Rate) x Total Evergreen Units

Annual Cash Flow Available for CFD

Financing Assumptions

Bonding Capacity

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Home Value Assumptions

Residential Product Type		Home Value Estimate
Large Lot Single Family	$	1,050,000
Small Lot Single Family		760,000
Townhome		580,000
Multi-family (for sale)		480,000
Affordable (for sale)		408,000
Multi-family (rental)		135,000
EVCC Affordable		100,000

Note: Value estimated by MuniFinancial and shall be updated upon completion of appraisal for actual District formation.

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Special Tax and Financing Assumptions

- Effective tax rate – 1.75 percent
- Existing tax rate – 1.32 percent
- Interest rate – 7.00 percent
- Bond term – 30 years

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Schedule

- Present methodology and assumptions to Task Force
  - December 14, 2005
- Present preliminary results to Task Force
  - January 18, 2005
- Present results to City Council
  - February 2006 (TENTATIVE)

Questions

and

Answers

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